

SERFF Tracking Number:	CALC-125268220	State:	Arkansas
Filing Company:	California Casualty Indemnity Exchange	State Tracking Number:	AR-PC-07-026553
Company Tracking Number:	AR-07-A-RU-01		
TOI:	19.0 Personal Auto	Sub-TOI:	19.0001 Private Passenger Auto (PPA)
Product Name:	Private Passenger Auto		
Project Name/Number:	Multi-state Pay Plan/Multi-state 07-A-RU-02		

Filing at a Glance

Company: California Casualty Indemnity Exchange

Product Name: Private Passenger Auto	SERFF Tr Num: CALC-125268220	State: Arkansas
TOI: 19.0 Personal Auto	SERFF Status: Closed	State Tr Num: AR-PC-07-026553
Sub-TOI: 19.0001 Private Passenger Auto (PPA)	Co Tr Num: AR-07-A-RU-01	State Status:
Filing Type: Rule	Co Status:	Reviewer(s): Alexa Grissom, Betty Montesi, Brittany Yielding
	Authors: Vicky Tierney, Carol Heard	Disposition Date: 10/30/2007
	Date Submitted: 10/24/2007	Disposition Status: Filed
Effective Date Requested (New): 12/01/2007		Effective Date (New): 12/01/2007
Effective Date Requested (Renewal): 12/01/2007		Effective Date (Renewal):

General Information

Project Name: Multi-state Pay Plan	Status of Filing in Domicile: Authorized
Project Number: Multi-state 07-A-RU-02	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 10/30/2007	
State Status Changed: 10/26/2007	Deemer Date:
Corresponding Filing Tracking Number:	
Filing Description:	

With this Filing, the Company is submitting for approval its Late and NPCR Fees rule with the summary of changes found in the AR P&C Transmittal document. A detailed explanation of the filing is provided in the Explanatory Memorandum along with the cost assumption exhibits as well as editorial changes in the Supporting Documentation tab.

Company and Contact

Filing Contact Information

Carol W. Heard, State Filings Manager - Auto, cheard@calcas.com
CCMC

SERFF Tracking Number: *CALC-125268220* *State:* *Arkansas*
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TOI: *19.0 Personal Auto* *Sub-TOI:* *19.0001 Private Passenger Auto (PPA)*
Product Name: *Private Passenger Auto*
Project Name/Number: *Multi-state Pay Plan/Multi-state 07-A-RU-02*

1900 Alameda de las Pulgas (800) 288-7765 [Phone]
San Mateo, CA 94403-1298 (650) 638-1833[FAX]

Filing Company Information

California Casualty Indemnity Exchange	CoCode: 20117	State of Domicile: California
1900 Alameda de las Pulgas	Group Code: 33	Company Type: Reciprocal Exchange
San Mateo, CA 94403-1298	Group Name:	State ID Number: 2674
(800) 288-7765 ext. 4697[Phone]	FEIN Number: 94-6064430	

<i>SERFF Tracking Number:</i>	<i>CALC-125268220</i>	<i>State:</i>	<i>Arkansas</i>
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Filing Fees

Fee Required?	Yes
Fee Amount:	\$25.00
Retaliatory?	No
Fee Explanation:	\$25/rule filing
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
California Casualty Indemnity Exchange	\$25.00	10/24/2007	16301054

<i>SERFF Tracking Number:</i>	<i>CALC-125268220</i>	<i>State:</i>	<i>Arkansas</i>
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<i>Project Name/Number:</i>	<i>Multi-state Pay Plan/Multi-state 07-A-RU-02</i>		

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Alexa Grissom	10/30/2007	10/30/2007

<i>SERFF Tracking Number:</i>	<i>CALC-125268220</i>	<i>State:</i>	<i>Arkansas</i>
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Disposition

Disposition Date: 10/30/2007

Effective Date (New): 12/01/2007

Effective Date (Renewal):

Status: Filed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: CALC-125268220 State: Arkansas

Filing Company: California Casualty Indemnity Exchange State Tracking Number: AR-PC-07-026553

Company Tracking Number: AR-07-A-RU-01

TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)

Product Name: Private Passenger Auto

Project Name/Number: Multi-state Pay Plan/Multi-state 07-A-RU-02

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	Explanatory Memorandum	Filed	Yes
Rate	AR Auto Manual	Filed	Yes
Rate	AR Auto Manual	Filed	Yes

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Rate Information

Rate data does NOT apply to filing.

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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	AR Auto Manual	Revised Section 3 Pages	Replacement	AR-PC-05-016703 Extracted Pages from AR Section 3 - auto Rev 2 120107.pdf
Filed	AR Auto Manual	Current Section 3 Pages	Withdrawn	AR-PC-05-016703 Extracted Pages from AR Section 3 - auto.pdf

RATING**WORKSHEET 1 - VEHICLE TYPE: PP, PU, VN, and PH**

Note: In determining the premium, do not apply the shaded items. Round to nearest dime after each step, unless otherwise noted, and to nearest dollar at last step.

	TABLE		BI	PD	PIP			UM	UIM	PDUM	CMP	COL	T&L	OPT TE	EEE
					MED	Work Loss	Acc. Death								
Base Rate	1	x													
Increased Limit Factor	2	x													
Symbol/Ded Factor	3	x													
Model Year Factor	4	x													
Gold Star Factor	5	x													
Sales Code Factor	6	x													
Auto/Home Discount	7	x													
Driver Class Factor	8A														
x GSD/DTD ^{1*}	8B														
+ Driving Record Surcharge ³	9														
= Combined Factor		x													
CGR Discount Factor	8C														
Persistency Factor	10	x													
Multi Car Discount	11	x													
Mature Driver Discount	12	x													
Utility Vehicle Factor	14	x													
Passive Restraint Discount		x													
ABS Discount		x													
Anti-Theft Discount															
Loan/Lease Factor ²		x													
Package Discount	16	x													
SR-22 Filing Surcharge		X													
Zone Factor	25	x													
PREMIUM		=													

TOTAL PREMIUM

- ¹ Round to two decimals
² Does not apply to PH vehicle type
³ Does not apply to Excess Vehicles

+ = addition(s) * = revision(s) -- = deletion(s)

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WORKSHEET 2 - VEHICLE TYPE: CL, DB

Note: In determining the premium, do not apply the shaded items. Round to nearest dime after each step, unless otherwise noted, and to nearest dollar at last step.

	TABLE		BI	PD	PIP			UM	UIM	PDUM	CMP ²	COL ²	T&L ²	OPT ² TE ²	EEE ²
					MED	Work Loss	Acc. Death								
Base Rate	1	x													
Increased Limit Factor	2	x													
Symbol/Ded Factor	3	x									#	#			
Model Year Factor	4	x									##	##			
CL/DB Veh. Type Factor	20														
Gold Star Factor	5	x													
Sales Code Factor	6	x													
Auto/Home Discount	7	x													
Driver Class Factor	8A														
x GSD/DTD ¹	8B														
+ Driving Record	9														
Surcharge***															
= Combined Factor		x													
CGR Discount Factor	8C														
Persistency Factor	10	x													
Multi Car Discount	11	x													
Mature Driver Discount	12	x													
Utility Vehicle Factor	14	x													
Passive Restraint Discount		x													
ABS Discount		x													
Anti-Theft Discount															
*SR-22 Filing Surcharge		X													
Zone Factor	25	x													
PREMIUM		=													

TOTAL PREMIUM

- ¹ Round to two decimals
² Does not apply to DB vehicle type
³ Does not apply to Excess Vehicles

- # For CL vehicle type, the symbol is based on the vehicles actual cash value.
 ## For CL vehicle type, use the most current model year.

+ = addition(s) * = revision(s) -- = deletion(s)

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WORKSHEET 4 - VEHICLE TYPE: AN

Note: In determining the premium, do not apply the shaded items. Round to nearest dime after each step, unless otherwise noted, and to nearest dollar at last step.

	TABLE		BI	PD	PIP			UM	UIM	PDUM	CMP ¹	COL ¹	T&L ¹	OPT TE ¹	EEE ¹
					MED	Work Loss	Acc. Death								
Base Rate	1	x													
Increased Limit Factor	2	x													
Symbol/Deductible Factor		x													
Model Year Factor ¹	4	x													
AN Veh. Type Factor															
Gold Star Factor	5	x													
Sales Code Factor	6	x													
Passive Restraint Discount		x													
Anti- Theft Discount															
Zone Factor	25	x													
PREMIUM		=													

TOTAL PREMIUM

¹ Use the earliest Model Year Table (Table 4)

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Rev. 2 (12/01/07)

* **RULE 2 – RATING PROCEDURES – GENERAL**

A. Rating involves selecting the coverages and limits desired, then applying the factors and discounts appropriate for the type of vehicle being rated to the Base Rates. A minimum annualized \$75 policy premium applies. Premiums reflect an annual policy period. All mid-term cancellations will be calculated on a pro-rate basis. The worksheets provided here (W1-W8) outline the rating sequence to follow for each type of vehicle, as follows:

Worksheet Vehicle Type Worksheet is used for:

- W1: Private passenger autos, vans and pickups in ISO (PP), pickups and vans not in ISO (PU, VN), and Motor Homes used for commuting (PH)
- W2: Classic vehicles (CL) and dune buggies (DB)
- W3: Motorcycles, motorscooters and mopeds (MC)
- W4: Antique vehicles (AN)
- W5: Snowmobiles (SN) and golf carts (GO)
- W6: Motorhomes used solely for pleasure use (MH)
- W7: Trailers (TR) and campers (CP)
- W8: Named non-owner (NN)

B. The following are the available payment plan options:

1. Annual - This plan requires the insured to pre-pay the policy premium. There are no services charges associated with this option.
2. 5-Pay Installment - This plan consists of a maximum of 5 installments to be paid during the policy period with each installment including a \$5 service charge. The maximum amount of service charges that will be paid during any policy period in addition to premium is \$25. Regardless of the number of policies issued per household (auto and property), the \$5 installment charge will apply to only one policy. Any service charge billed prior to cancellation or change in pay plan is non-refundable.
3. E-Z Pay Installment (Electronic Fund Transfer) – This plan consists of a maximum of 12 installments to be paid during the policy period with each installment including a \$1 service charge. The maximum amount of service charges that will be paid during any policy period in addition to premium is \$12. Regardless of the number of policies issued per household (auto and property), the \$1 installment charge will apply to only one policy. Any service charge billed prior to cancellation or change in pay plan is non-refundable.

+ C. A \$10 late fee will be assessed if policy payment is not received by the premium due date or in the event a scheduled EFT deduction is rejected by the insured's banking institution.

+ D. A \$40 non-pay cancel rewrite (NPCR) fee will be assessed on policies that have cancelled for non-payment of premium and are rewritten with a lapse to a new policy within 60 days of cancellation. Policies reinstated without a lapse are not charged a fee.

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- f. **Arkansas Act 1194 of 2005 states that no insurer licensed to transact the business of motor vehicle liability insurance in this state shall cancel an insured's policy, increase the premium, or negatively impact the insured's risk rating solely because of an accident for which the insured is innocent of any negligent or intentional act that was the proximate cause of the accident, regardless of whether a claim is filed under any insurance policy. A "proximate cause" is a cause which, in a natural and continuous sequence, produces damage and without which the damage would not have occurred.**

5. Attribute Points

The assignment of the Attribute Points is based on the total number of points from the rated and secondary drivers of a vehicle. This factor will be applied at the vehicle level. Driving record attribute points are assigned for chargeable accidents, minor convictions, and major convictions. Total point value is allocated as follows:

<u>Incidents</u>	<u>Attribute Points</u>	<u>Within the last:</u>
Each Minor Conviction	1	3 years
Each Chargeable Accident	2	3 years
Each Major Conviction	4	7 years

The maximum attribute points per vehicle is 17 points.

6. Surcharge Allocation

This surcharge is based on the total number of points from the Rated and Secondary Drivers of a vehicle. If there are two operators assigned to the same vehicle (other than the Rated Driver), the one with the highest number of attribute/surcharge points becomes the Secondary Driver on that vehicle. The other operator assigned to that vehicle becomes an Excess Driver. If the Excess Driver has attribute/surcharge points, the points are not included when applying the Forgiveness Rule.

7. Forgiveness Rule

The number of points that are assigned to the vehicle can be waived by the rule outlined below. The forgiveness rule applies within 36 months immediately proceeding the effective date. This rule does not apply to major convictions. The total number of points that are assigned to the vehicle cannot be less than zero.

<u>Years with CCG</u>	<u># of Points Waived</u>
3-9	1
10+	2
¹ 10+	3

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¹ If the total number of chargeable accidents among all assigned drivers on the vehicle is at most 1 for the past 10 years.

J. Extended Non-Owner (GV) Coverage Rates

These rates are used for Extended Non-Owner vehicles (i.e. government vehicles). Only BI, PD, and MED coverages are available for these vehicles with the premiums as follows:

	<u>BI</u>	<u>PD</u>	<u>MED</u>
Rate ¹ :	\$5.00	\$3.00	\$2.00

¹No rating factors apply. Coverage Limits are the same as the other vehicle(s) on the policy.

K. Financial Responsibility Filing (SR-22) Surcharge

Whenever the financial responsibility filing is required, apply this surcharge with a factor of 1.10 to the vehicle where the driver is rated or secondary. The surcharge is applied to BI and PD premiums, and will remain until the filing is no longer required.

L. Gold Star Factors

The appropriate factor will be applied to BI, PD, MED, UM, UIM, PDUM, CMP and COL premiums. See **Table 5**.

1. Platinum 1:

- a. At least one Named Insured must have a minimum of 5 years U.S. or Canadian driving experience.
- b. All drivers in the household must have a minimum of 3 years state driving experience.
- c. There must not have been any at-fault non-chargeable claim in the household in the past 3 years for New Accounts¹.
- d. There must not have been more than one at-fault non-chargeable claim in the household in the past 3 years for Renewals¹.
- e. All drivers in the household must not be younger than 25 years of age.
- f. All drivers in the household must not be older than 70 years of age (not applicable to renewals).
- g. At least one named insured must have been employed continuously with the same employer for the past year (not applicable to renewals).
- h. At least one named insured must have resided continuously at the same address for the past year (not applicable to renewals).
- i. Demonstrates Superior Financial Responsibility.

*

U. Multi Car Discount (see Table 10)

1. Applies when we insure two or more private passenger Auto, Pickup, Van, Classic Vehicle, Dune buggy and commute-use Motor Home (PP, PU, VN, CL, DB, PH) vehicle types for family members in the same household: no other vehicle types are given the discount.
2. Vehicles with only Other Than Collision (CMP) coverage do not get the discount, nor do they qualify other vehicles for the discount.

V. Named Non-Owner (NN) Coverage Factors

These factors are applied to the BI, PD and MED premiums for Named Non-Owner vehicles. See **Table 23**.

W. Package Discount (See Table 16)

1. Type A: To qualify for this discount, the vehicle must carry at least the following coverages and limits:
 - a. Bodily Injury, 50/100 limit or higher
 - b. Property Damage, any limit
 - c. Medical Payments, any limit
 - d. Uninsured Motorists Bodily Injury and/or Underinsured Motorist Bodily Injury, any limit
 - e. Other Than Collision (CMP), any deductible
 - f. Collision (COL), any deductible
2. Type B: To qualify for this discount, Type A's criteria must be met, AND the vehicle has no unrepaired damage.
3. Type C: To qualify for this discount, Type A's criteria must be met, AND the vehicle is normally parked in a fully enclosed and locked garage overnight.
4. Type D: To qualify for this discount, ALL criteria for types A, B and C must be met.

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Rev. 2 (12/01/07)

RATING

RATING WORKSHEETS

RATING**WORKSHEET 1 - VEHICLE TYPE: PP, PU, VN, and PH**

Note: In determining the premium, do not apply the shaded items. Round to nearest dime after each step, unless otherwise noted, and to nearest dollar at last step.

	TABLE		BI	PD	PIP			UM	UIM	PDUM	CMP	COL	T&L	OPT TE	EEE
					MED	Work Loss	Acc. Death								
Base Rate	1	x													
Increased Limit Factor	2	x													
Symbol/Ded Factor	3	x													
Model Year Factor	4	x													
Gold Star Factor	5	x													
Sales Code Factor	6	x													
Auto/Home Discount	7	x													
Driver Class Factor	8A														
x GSD/DTD *	8B														
+ Driving Record	9														
Surcharge***															
= Combined Factor		x													
CGR Discount Factor	8C														
Persistency Factor	10	x													
Multi Car Discount	11	x													
Mature Driver Discount	12	x													
Utility Vehicle Factor	14	x													
Passive Restraint Discount		x													
ABS Discount		x													
Anti-Theft Discount															
Loan/Lease Factor **		x													
Package Discount	16	x													
SR-22 Filing Surcharge		X													
Zone Factor	25	x													
PREMIUM		=													

TOTAL PREMIUM

- * Round to two decimals
 ** Does not apply to PH vehicle type
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Rev. (12/01/05)

WORKSHEET 2 - VEHICLE TYPE: CL, DB

Note: In determining the premium, do not apply the shaded items. Round to nearest dime after each step, unless otherwise noted, and to nearest dollar at last step.

	TABLE		BI	PD	PIP			UM	UIM	PDUM	CMP **	COL **	T&L **	OPT TE**	EEE **
					MED	Work Loss	Acc. Death								
Base Rate	1	x													
Increased Limit Factor	2	x													
Symbol/Ded Factor	3	x									#	#			
Model Year Factor	4	x									##	##			
CL/DB Veh. Type Factor	20														
Gold Star Factor	5	x													
Sales Code Factor	6	x													
Auto/Home Discount	7	x													
Driver Class Factor	8A														
x GSD/DTD *	8B														
+ Driving Record	9														
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CGR Discount Factor	8C														
Persistency Factor	10	x													
Multi Car Discount	11	x													
Mature Driver Discount	12	x													
Utility Vehicle Factor	14	x													
Passive Restraint Discount		x													
ABS Discount		x													
Anti-Theft Discount															
SR-22 Filing Surcharge		X													
Zone Factor	25	x													
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WORKSHEET 4 - VEHICLE TYPE: AN

Note: In determining the premium, do not apply the shaded items. Round to nearest dime after each step, unless otherwise noted, and to nearest dollar at last step.

	TABLE		BI	PD	PIP			UM	UIM	PDUM	CMP *	COL *	T&L *	OPT TE*	EEE *
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Symbol/Deductible Factor		x													
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Sales Code Factor	6	x													
Passive Restraint Discount		x													
Anti- Theft Discount															
Zone Factor	25	x													
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The following are the available payment plan options:

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3. E-Z Pay Installment (Electronic Fund Transfer) – This plan consists of a maximum of 12 installments to be paid during the policy period with each installment including a \$1 service charge. The maximum amount of service charges that will be paid during any policy period in addition to premium is \$12. Regardless of the number of policies issued per household (auto and property), the \$1 installment charge will apply to only one policy. Any service charge billed prior to cancellation or change in pay plan is nonrefundable.

The worksheets provided here (W1-W8) outline the rating sequence to follow for each type of vehicle, as follows:

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Rev. (12/01/05)

- f. **Arkansas Act 1194 of 2005 states that no insurer licensed to transact the business of motor vehicle liability insurance in this state shall cancel an insured's policy, increase the premium, or negatively impact the insured's risk rating solely because of an accident for which the insured is innocent of any negligent or intentional act that was the proximate cause of the accident, regardless of whether a claim is filed under any insurance policy. A "proximate cause" is a cause which, in a natural and continuous sequence, produces damage and without which the damage would not have occurred.**

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The maximum attribute points per vehicle is 17 points.

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7. Forgiveness Rule

The number of points that are assigned to the vehicle can be waived by the rule outlined below. The forgiveness rule applies within 36 months immediately proceeding the effective date. This rule does not apply to major convictions. The total number of points that are assigned to the vehicle cannot be less than zero.

<u>Years with CCG</u>	<u># of Points Waived</u>
3-9	1
10+	2
*10+	3

+ = addition(s) * = revision(s) -- = deletion(s)

Rev. (12/01/05)

* If the total number of chargeable accidents among all assigned drivers on the vehicle is at most 1 for the past 10 years.

J. Extended Non-Owner (GV) Coverage Rates

These rates are used for Extended Non-Owner vehicles (i.e. government vehicles). Only BI, PD, and MED coverages are available for these vehicles with the premiums as follows:

	<u>BI</u>	<u>PD</u>	<u>MED</u>
Rate*:	\$5.00	\$3.00	\$2.00

No rating factors apply. Coverage Limits are the same as the other vehicle(s) on the policy.

K. Financial Responsibility Filing (SR-22) Surcharge

Whenever the financial responsibility filing is required, apply this surcharge with a factor of 1.10 to the vehicle where the driver is rated or secondary. The surcharge is applied to BI and PD premiums, and will remain until the filing is no longer required.

L. Gold Star Factors

The appropriate factor will be applied to BI, PD, MED, UM, UIM, PDUM, CMP and COL premiums. See **Table 5**.

1. Platinum 1:

- a. At least one Named Insured must have a minimum of 5 years U.S. or Canadian driving experience.
- b. All drivers in the household must have a minimum of 3 years state driving experience.
- c. There must not have been any at-fault non-chargeable claim in the household in the past 3 years for New Accounts¹.
- d. There must not have been more than one at-fault non-chargeable claim in the household in the past 3 years for Renewals¹.
- e. All drivers in the household must not be younger than 25 years of age.
- f. All drivers in the household must not be older than 70 years of age (not applicable to renewals).
- g. At least one named insured must have been employed continuously with the same employer for the past year (not applicable to renewals).
- h. At least one named insured must have resided continuously at the same address for the past year (not applicable to renewals).
- i. Demonstrates Superior Financial Responsibility.

U. Multi Car Discount (see Table 10)

This discount varies depending on the class code (see **Table 8A**).

1. Applies when we insured two or more private passenger Auto, Pickup, Van, Classic Vehicle, Dune buggy and commute-use Motor Home (PP, PU, VN, CL, DB, PH) vehicle types for family members in the same household: no other vehicle types are given the discount.
2. Vehicles with only Other Than Collision (CMP) coverage do not get the discount, nor do they qualify other vehicles for the discount.

V. Named Non-Owner (NN) Coverage Factors

These factors are applied to the BI, PD and MED premiums for Named Non-Owner vehicles. See **Table 23**.

W. Package Discount (See Table 16)

1. Type A: To qualify for this discount, the vehicle must carry at least the following coverages and limits:
 - a. Bodily Injury, 50/100 limit or higher
 - b. Property Damage, any limit
 - c. Medical Payments, any limit
 - d. Uninsured Motorists Bodily Injury and/or Underinsured Motorist Bodily Injury, any limit
 - e. Other Than Collision (CMP), any deductible
 - f. Collision (COL), any deductible
2. Type B: To qualify for this discount, Type A's criteria must be met, AND the vehicle has no unrepaired damage.
3. Type C: To qualify for this discount, Type A's criteria must be met, AND the vehicle is normally parked in a fully enclosed and locked garage overnight.
4. Type D: To qualify for this discount, ALL criteria for types A, B and C must be met.

<i>SERFF Tracking Number:</i>	<i>CALC-125268220</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>California Casualty Indemnity Exchange</i>	<i>State Tracking Number:</i>	<i>AR-PC-07-026553</i>
<i>Company Tracking Number:</i>	<i>AR-07-A-RU-01</i>		
<i>TOI:</i>	<i>19.0 Personal Auto</i>	<i>Sub-TOI:</i>	<i>19.0001 Private Passenger Auto (PPA)</i>
<i>Product Name:</i>	<i>Private Passenger Auto</i>		
<i>Project Name/Number:</i>	<i>Multi-state Pay Plan/Multi-state 07-A-RU-02</i>		

Supporting Document Schedules

Satisfied -Name:	Uniform Transmittal Document-Property & Casualty	Review Status:	Filed	10/30/2007
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Comments:

Please see attached.

Attachment:

AR P&C Transmittal Form.pdf

Bypassed -Name:	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Review Status:	Filed	10/30/2007
Bypass Reason:	Not Applicable			

Comments:

Bypassed -Name:	NAIC loss cost data entry document	Review Status:	Filed	10/30/2007
Bypass Reason:	Not Applicable			

Comments:

Satisfied -Name:	Explanatory Memorandum	Review Status:	Filed	10/30/2007
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Comments:

Please see attached.

Attachments:

AR Auto Explanatory Memorandum.pdf

Late Fee Charge Cost Assumptions.pdf

NPCR Charge Cost Assumptions.pdf

Property & Casualty Transmittal Document

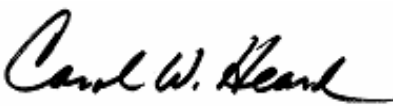
1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	
h. Subject Codes		

3. Group Name	Group NAIC #
California Casualty Group	033

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
California Casualty Indemnity Exchange	CA	20117	94-6064430	2674

5. Company Tracking Number	AR-07-A-RU-01
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6. Name and address	Title	Telephone #s	FAX #	e-mail
Carol Heard 1900 Alameda de las Pulgas San Mateo, CA 94403	State Filings Manager - Auto	(800) 288-7765 ext. 4697	(650) 638-1833	cheard@calcas.com
7. Signature of authorized filer				
8. Please print name of authorized filer		Carol W. Heard		

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	Private Passenger Auto
10. Sub-Type of Insurance (Sub-TOI)	19.1, 19.2, 21.1
11. State Specific Product code(s) (if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input checked="" type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 12-01-2007 Renewal: 12-01-2007
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	10/24/07
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input checked="" type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	AR-07-A-RU-01
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21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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The Company is filing a revision to its Arkansas Auto Manual to include the two new fees, a Late and an NPCR Fee. The proposed effective date is 12/01/07.

This filing is submitted under SERFF Filing No.: CALC-125268220.

Also included in this Filing are editorial changes to the Manual. An Explanatory Memorandum highlighting the changes is included as Supporting Documentation.

The Filing has been reviewed for compliance of all applicable AR laws and regulations currently in effect.

22.	Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
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Check #:

Amount: \$25.00

Payment is made through EFT (SERFF)

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

*****Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

**CALIFORNIA CASUALTY INDEMNITY EXCHANGE
PRIVATE PASSENGER AUTOMOBILE PROGRAM - ARKANSAS
RULE FILING NO.: AR-07-A-RU-01
EFFECTIVE DATE: 12/01/07
EXPLANATORY MEMORANDUM**

The Company is filing a revision to its Arkansas Auto Manual to include the two new fees (Late and NPCR Fees) offered by the company. The revised and superseded Manual pages can be found under the Rate/Rule Schedule tab. Changes are indicated by a "+" sign for additions, "*" for revisions, and a "--" for deletions. Costs assumptions for these plans and fees are likewise attached as exhibits. The proposed effective date is 12/01/07.

This filing is submitted under SERFF Filing No.: CALC-125268220.

FILED CHANGES

PAYMENT PLANS

Late Fee Charge Cost Assumption

The Late Fee Charge Cost Assumptions provide the basis of the late fee charge. A charge of \$10.00 will be made for any payment that is received late. This is a new fee.

Non-Payment of Premium/Cancellation Rewrite Charge Cost Assumptions

The Non-Payment of Premium/Cancellation Rewrite (NPCR) Charge Cost Assumptions show the costs for rewriting a policy after it has been cancelled for non-payment of premium. Customers will be charged \$40.00 to rewrite a cancelled policy. The NPCR fee will be assessed on policies that have cancelled for non-payment of premium and are rewritten with a lapse to a new policy within 60 days of cancellation. Policies reinstated without a lapse are not charged a fee. This is a new fee.

Also included in this Filing are editorial changes to the Manual. Please see the summary below.

The Filing has been reviewed for compliance of all applicable AR laws and regulations currently in effect.

SUMMARY OF CHANGES

<u>Section</u>	<u>Rule</u>	<u>Page</u> <u>Rev. Date</u>	<u>Description</u>
3 Rating	3AR.1	Rev. 2 (12/01/07)	Worksheet 1 - Vehicle Type: PP, PU, VN, and PH
			Change * footnote indicators to numbers in superscript
	3AR.2	Rev. 2 (12/01/07)	Worksheet 2 - Vehicle Type: CL, DB
			Change * footnote indicators to numbers in superscript
	3AR.4	Rev. 2 (12/01/07)	Worksheet 4 - Vehicle Type: AN
			Change * footnote indicator to number in superscript

California Casualty Indemnity Exchange
Private Passenger Automobile Program - Arkansas
Rule Filing No.: AR-07-A-RU-01
Effective Date: 12/01/07

<u>Section</u>	<u>Rule</u>	<u>Page</u> <u>Rev. Date</u>	<u>Description</u>
	2	3AR.11 Rev. 2 (12/01/07)	Rating Procedures - General <ul style="list-style-type: none"> • Add “Premiums reflect an annual policy period.” • Add late fee, and non-pay cancel rewrite (NPCR) fee.
	3	3AR.17-18 Rev. 2 (12/01/07)	Driving Record Surcharge <p>Change * footnote indicator to number in superscript for the table listed under the Forgiveness Rule.</p>
	3	3AR.19 Rev. 2 (12/01/07)	Extended Non-Owner (GV) Coverage Rates <p>Change * footnote indicator to number in superscript.</p>
	3	3AR.26 Rev. 2 (12/01/07)	Multi Car Discount <ul style="list-style-type: none"> • Remove reference to Table 8A as this no longer applies. • Editorial correction - “insured” to “insure”.

Late Fee Cost Assumptions

"Interest" Cost	\$	0.17	* ((Average Monthly Policy Premium x Interest Rate) / 360) x Average # Days Overdue
Material & Processing Cost		0.34	* Average Monthly Paper, Envelope & Processing Fees for Cancel Pending Notices & Rescission Notices / Avg # Cancel Pending Notices Sent Per Month
Postal Cost		0.62	* Average Monthly Postal Fees for Cancel Pending Notices & Rescission Notices / Avg # Cancel Pending Notices Sent per Month
Employee Unit Cost		2.31	* (Estimated Number of Monthly Calls Re: Cancel Pending Notices x Unit Cost of Simple Call) / Avg # Cancel Pending Notices Sent Per Month
Collection Cost		0.30	Estimated Annual Collection Fees / Average # Cancel Pending Notices Sent per Year
Uncollectible Premium Cost	\$	5.60	Annual Uncollectible Premium (Write-offs Net of Recoveries) / Average # Cancel Pending Notices Sent per Year
Cost	\$	9.33	

Assumptions:

* Calculated on a monthly basis - late fee charged per month.

Average Monthly Policy Premium (Average Monthly Written Premium / Average Number PIF): \$111

Average Number Policies in Force: 290,568

Interest Rate (One Year Constant Maturity Treasury Rate): 4.87%

Average Number of Days Overdue: 11

Average Number of Cancel Pending Notices Sent per Month: 11,000

Estimated Number of Monthly Calls on Cancel Pending Notices: 15% of Total Cancel Pending Notices Sent

Unit Cost of Average Call: \$7.00

Annual Collection Fees: \$40,000

Annual Uncollectible Premium (Net): \$738,914

Non Pay Cancel Rewrite Cost Assumptions

Staffing	Annual Volume ('05 survey)	4,200.00
	Annual Hours	1,890.00
	Full Time Employee	1.14
	Average Salaries and Benefits	49,783.35
	Corporate, Operations, Support Expense Allocation	69,496.13
	Annual Staffing Expense	<u>136,010.99</u>
Reports	\$5 for 2.23 drivers/household	46,830.00
Materials/Postage	\$1.00/NPCR	4,032.00
Total		<u><u>186,872.99</u></u>
NPCR Cost/Transaction		<u><u>\$ 44.49</u></u>
		NPCR Cost/Transaction

Assumptions:

Handle incoming phone call.
 Review customer information
 Run MVRs for household drivers.
 Review loss history.
 Determine acceptability.
 Obtain policy # to assign.
 Verify if insured prefers same coverage - re-rate if necessary.
 Collect down payment plus cancelled balances.
 Bind coverage.
 Document comments.
 Verify all monies collected.
 Issue the new policy.